

From: David Berry
To: Microsoft ATR
Date: 1/3/02 2:01pm
Subject: Microsoft Settlement

Dear DOJ,

As a concerned citizen, I wish to use the public comment period regarding the Microsoft Settlement to comment as follows.

1/ Discharge AOL Complaints:

With reference to the 1995 case of AOL vs Microsoft regarding bundling of the MSN on-line service with Windows 95, AOL claimed that this bundling would make it difficult for AOL to succeed in the on-line market, and so it was anti-competitive. The case was overturned. Since 1995, AOL has achieved approximately 80% market share, and built profits that enabled them to acquire Netscape and Time-Warner (one of the largest mergers of all time). Therefore, it's clear that bundling MSN with Windows 95 was not anti-competitive.

AOL's role as an injured party in the current Microsoft case is disingenuous. In fact, history shows that after MSN was bundled with Windows 95, on-line services became more pervasive, companies like AOL boomed, and consumers obtained services more easily because connectivity infrastructure was included with Windows. The pervasive nature of this infrastructure in Windows made it possible for a generation to participate in the "internet revolution", which yielded significantly greater consumer benefits than the closed nature of (for example) AOL, MSN, and CompuServe, as these existed in 1995.

2/ Discharge Netscape Complaints:

I understand that the current case against Microsoft is based on a complaint that Netscape's browser market was damaged by the bundling of Internet Explorer with Windows, and that this was not in the public interest.

In fact, Netscape's browser (Navigator) was free (like Internet Explorer), so the business that may have been damaged was non-existent. If Netscape chose to base their market on a zero-price commodity, that's bad management on their part, not Microsoft's fault. AOL now bundles Netscape Navigator as part of their service, which is clearly in consumers' interests, just as the bundling of IE with Windows. If such bundling had not taken place, it's believable that the "internet revolution" may have been delayed, as people would have been required to purchase separate pieces of software, and figure out significant technical complexities in order to go on line.

Not having a browser in the internet age is like having a car without an engine - the Internet would be useless. Therefore, it's unthinkable that a software company with vision and leadership would NOT bundle a browser as a fundamental base technology. Obviously Microsoft's actions benefited consumers, and did not damage any then-existing revenue stream for other companies. On the contrary, Microsoft made a contribution to the entire US economy by helping to drive connectivity and Internet browsing as base functionality available to all consumers.

3/ Discharge "Monopolistic behavior" complaints:

In 1991 I worked for Chevron (oil company) and attended a forum for the top customers of the Lotus Corporation (spreadsheet software vendor). At the time, Microsoft Excel and Word had negligible share in a market dominated by Lotus 123 and WordPerfect, and Microsoft was trying to encourage all software vendors to produce applications with a graphical user interface (GUI), to make it easier for consumers to use their software.

At this 1991 forum, Mr Manzi, then Lotus CEO, gave a keynote speech in which he spent 45 minutes explaining why users did not need a GUI, and why Lotus would not have a Windows version of their spreadsheet. He was followed by Mr Peterson, then CEO of WordPerfect Corporation, who presented almost the same speech about why WordPerfect users did not need a GUI.

Obviously, both these companies were wrong about what their consumers required. The fact that Microsoft Excel and Word have replaced Lotus and WordPerfect as market leaders is a result of bad business management, and wrong strategic decisions by Microsoft's competitors. It is not due to monopolistic behavior, as Microsoft did not have a monopoly in spreadsheets or wordprocessors. The success of Excel and Word is because these are superior products, not because of behavior that makes Microsoft a threat to the public interest.

Conclusion:

While it's true that Microsoft is an aggressive company, I cannot understand why their vision, commitment, and resulting success should be held against them. Windows has approximately 80% of the operating system market. Logically, this means that Windows should get credit for 80% of the success in making computers pervasive, and the resulting benefits to consumers and the US economy. The only entities that could benefit if the Microsoft Settlement is overturned are a small number of companies that compete with Microsoft. I am convinced that these companies have their own management to blame for any perceived lack of success, and in many cases (like AOL/Netscape), they are actually more successful as a result of Microsoft's market position.

Please resist the self interests of the companies that complain against Microsoft, and consider the enormous progress that has been made in consumer-oriented computing in the past few years while Microsoft has been providing vision, leadership, and superior software.

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Dave Berry

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